

Senate File 344 - Introduced

SENATE FILE 344
BY COMMITTEE ON ECONOMIC
GROWTH

(SUCCESSOR TO SF 108)

A BILL FOR

1 An Act creating an apprenticeship training tax credit available
2 against the individual and corporate income tax and
3 including applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 422.10A Apprenticeship training
2 tax credit.

3 1. For purposes of this section, unless the context
4 otherwise requires:

5 *a.* "*Apprentice*" means an Iowa resident who is at least
6 sixteen years of age, except where a higher minimum age is
7 required by law, who is employed in an occupation approved for
8 apprenticeship by the United States department of labor, office
9 of apprenticeship, and is registered with the United States
10 department of labor, office of apprenticeship.

11 *b.* "*Apprenticeship program*" means a program registered
12 with the United States department of labor, office of
13 apprenticeship, which includes terms and conditions for the
14 qualification, recruitment, selection, employment, and training
15 of apprentices, including the requirement for a written
16 apprenticeship agreement.

17 2. *a.* An apprenticeship training tax credit shall be
18 allowed against the taxes imposed in this division and division
19 III, for a portion of the taxpayer's costs, as described
20 in subsection 3, in providing wages to apprentices in the
21 construction trade training under an apprenticeship program.

22 *b.* An individual may claim a tax credit under this
23 subsection of a partnership, limited liability company,
24 S corporation, estate, or trust electing to have income
25 taxed directly to the individual. The amount claimed by the
26 individual shall be based upon the pro rata share of the
27 individual's earnings from the partnership, limited liability
28 company, S corporation, estate, or trust.

29 *c.* Any credit in excess of the taxpayer's liability for the
30 tax year is not refundable and shall not be credited to the tax
31 liability for any following year or carried back to a tax year
32 prior to the tax year in which the taxpayer claims the credit.

33 *d.* A tax credit issued pursuant to this section is not
34 transferable to any other taxpayer.

35 3. *a.* To be eligible for the tax credit, the taxpayer shall

1 maximum of \$2,000 or 50 percent of the wages the apprentice
2 earned, whichever is less.

3 The bill requires the taxpayer to be the employer of an
4 apprentice working in the construction trade and employed at an
5 Iowa worksite. The bill requires the apprentice to be an Iowa
6 resident, registered with the United States department of labor
7 office of apprenticeship, working in the construction trade,
8 and training under an apprenticeship program.

9 The tax credit is not refundable, and a tax credit shall not
10 be carried forward or carried back to a tax year prior to the
11 tax year in which the taxpayer first receives the tax credit.
12 The tax credit is not transferable.

13 To claim an apprenticeship training tax credit, the taxpayer
14 must include verification of the taxpayer's eligibility for the
15 credit, including evidence of the apprentice's residence, with
16 the taxpayer's tax return.

17 The bill applies to tax years beginning on or after January
18 1, 2016, for wages paid on or after that date to apprentices
19 hired on or after July 1, 2015.